PORTFOLIO REPORT SPRING 2022

University of Connecticut
SCHOOL OF BUSINESS

UNIVERSITY OF CONNECTICUT SCHOOL OF BUSINESS
GRADUATE STUDENT MANAGED FUND TEAM

Investment team information:

Ruosu Chen – *Fund Analyst*

Martin Zhang – *Fund Analyst*

Ronald Feng – *Portfolio Manager*

Quiroz Rivera Cristina – *Communications Manager*

Serge Virvo – *Co-Lead Manager*

Tianyu Zhu – *Digital Media Manager*

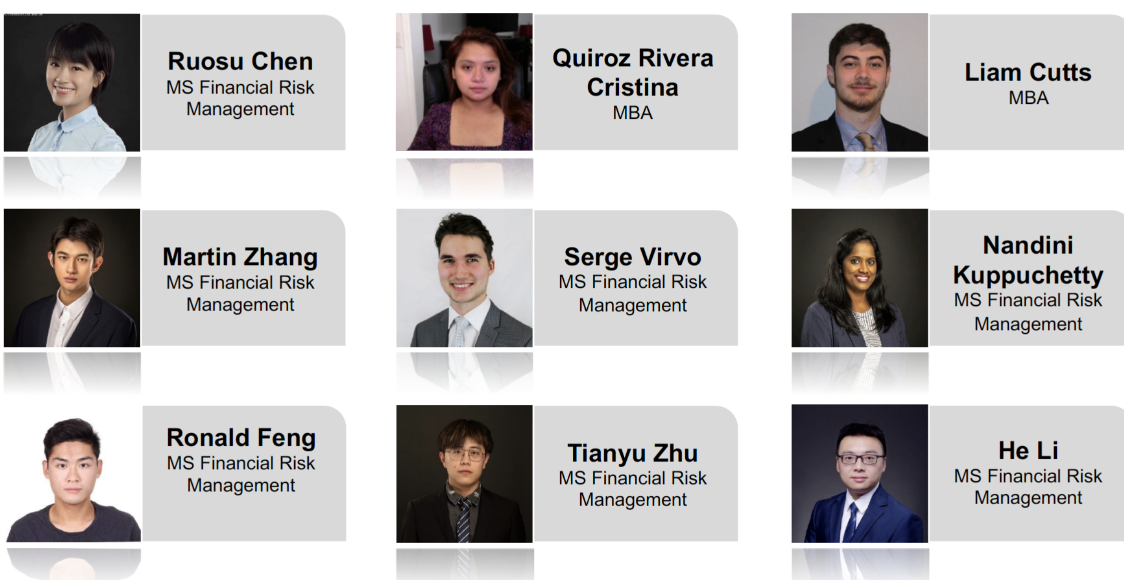
Liam Cutts – *Fund Analyst*

Nandini Kuppuchetty – *Co-Lead Manager*

He Li – *Portfolio Manager*

Fund *Director – Dr. Chinmoy Ghosh*

Graduate *Supervisor – Dr. Michel Rakotomavo*



Investment Philosophy:

Our team's investment philosophy is based primarily on value investing. In the foreword to Benjamin Graham's “Security Analysis”, Seth Klarman talks about what he sees as value investing. According to him, value investing is investing below the value of an asset, leaving an adequate margin of safety. The mission of the margin of safety is to create a buffer zone between your investment and the potential for mistakes and fluctuations in the economic system. Combined with what we have learned in class and our investment expectations, value investing is an appropriate investment philosophy for our student managed fund.

The margin of safety is also one of the concepts that we focus on most in our investment philosophy. As we are in a difficult time with volatile economic conditions due to the pandemic, the margin of safety that value investing can create can mitigate downside risk in a market downturn. Through a strategy of value investing, we believe we can achieve the Foundation's long-term investment objectives. Our portfolio is constructed based on a ten-year holding period, even though our Student Managed fund’s program is only one year in duration. We use the S&P 500 as our benchmark and our goal is for our portfolio to outperform the return of the benchmark.

Investment Strategy:

Our investment strategy is based on our investment philosophy of value investing, we make up our portfolio by looking for companies in different sectors that have intrinsic value above the current share price. As COVID-19 is ongoing, our first analysis is the macroeconomic situation. We look at the volatility of the economic markets and any information that will have an impact on the markets such as statements by Fed Chairman Powell and discuss with the team members how these macro factors will affect our investment behavior. Inflation, unemployment, supply chain bottlenecks, and even vaccination rates are all factors that we look at, and we focus on sectors and companies that can thrive despite these negative factors, but of course, we also look at sectors and companies that are more correlated with the economic situation to diversify our portfolio and reduce risk. The risks posed by these negative macroeconomic conditions will also be an important factor in our stock selection, and we will be able to select companies that can cope with these risks.

Based on the current macroeconomic situation, our team's stock picks are focused on choosing the best companies in their respective sectors that have the experience and capital to deal with the volatility of the market. So, having identified the macroeconomic situation, we then start screening companies whose shares are undervalued due to the recession caused by COVID-19 or other factors that lower the stock's price relative to their financial performance. Our target company needs to meet several criteria: firstly, it needs to have strong fundamentals, such as a large market share and stable and strong revenues. Our team will use the analysis methods that we learned in class to find a strong and stable company in all aspects by first analyzing its financial performance, investment returns, and risk through various economic indicators and comparing it with other companies in the same industry. We use various models to value the target company's intrinsic value, such as the DCF and DDM models. We utilize a margin of safety on the company's stock price of 20% or more above the current stock price. We also make use of the various resources provided to us by the UConn Business School, such as the Wall Street Journal, Value line, Net advantage, and Morningstar to supplement our research. The expert's opinions are by no means 100% correct, but we can find a lot of insight into companies in their reports, not only as a source of reference but also to learn how to be as sensitive as the experts to economic indicators and macroeconomic situations. Overall, our investment strategy is to build a portfolio that ultimately outperforms our benchmark, the S&P 500, over the investment period.

The Hartford Graduate Student Managed Fund team is diverse, disciplined, and experienced. The team includes students from UConn's full-time FRM, part-time FRM, full-time MBA, and part-time MBA programs. We made a detailed and robust plan when we took over the fund in August: We positioned our fund with a 10-year horizon having the goal of beating the S&P 500 index and achieving alpha returns. Our team delineated the sectors for which fund managers are responsible, as shown in the exhibit below, and attended weekly regular meetings with stock pitch presentations which included quantitative and qualitative analysis. Complete half of the investment before the IAB meeting in December and the rest during the spring semester. Collect daily market information from fund managers and stay on call and monitor market fluctuations and analyze market risks.

	Tianyu	He	Cristina	Liam	Ruosu	Serge	Nandini	Ronald	Yukun
Communication Serv.									
Consumer Discretionary									
Consumer Staples									
Energy									
Finnacials									
HealthCare									
Industrials									
Information Tech.									
Materials									
Real Estate									
Utilities									

As you can see from the chart above, we designated each fund manager to choose two to three industries to cover all sectors in the S&P 500. We structured the sector coverage in this way to promote collaboration between fund managers who were working in the same sectors.

In our weekly meetings, we start with stock pitching from fund managers. We are most concerned about the DCF model presented to us by the fund manager and whether each value in it is reasonable, along with looking at the fundamentals of the company, risks associated with the stock, analyst recommendations, dividend history, and the company's market share and business model. If there are any glaring issues related to the DCF model or the presentation, we will defer voting on the stock to the next meeting, to allow the manager some time to revise the stock pitch. All the aforementioned factors are important to the team when choosing a stock. After the pitch is presented by the fund analyst, we then bring the stock to a vote. All managers are required to attend the meeting, and the stock pitch needs a 2/3rds vote to put in a full buy order. We then take the S&P 500 sector weight in which the stock is categorized, multiply the total fund size by the sector weight, and divide it by two to achieve the allocation amount. We perform this for all sectors except for the information technology sector, which will be divided into thirds to diversify the sector, as it has the largest weighting in the S&P 500. The goal is to have two stocks per sector (except for information technology), following the weighting of the S&P 500.

. As you can see from the chart below, we have voted a total of 32 times since the inception of the fund and have picked a total of 23 stocks for our fund.

	Date	Stock Pit	Analyst	Communication Serv	Result	Reject / Purchase Reason(s)
	2021 Fall Semester					
1	9/29/2021	CBRE	Ruosu	Real Estate	No	
2	9/29/2021	BLK	Tianyu	Financials	No	
3	9/29/2021	SBUX	Yukun	Consumer Discretiona	Yes	
4	9/30/2021	APPL	Ronald	Information Tech	Yes	
5	10/7/2021	V	Tianyu	Financials	No	DCF, 1st statage used 19.8% growth rate
7	10/18/2021	CVS	Cristina	HealthCare	No	
8	10/18/2021	TGT	Nandini	Consumer Discretiona	Yes	
9	10/21/2021	NRG	Serge	Energy	Yes	
10	10/21/2021	UNH	He	HealthCare	Yes	
11	10/29/2021	T	Ruosu	Communication Serv	No	
12	10/29/2021	V	Tianyu	Financials	Yes	
13	11/5/2021	WY	Yukun	Real Estate	Yes	
14	11/5/2021	AEP	Ronald	Utilities	Yes	
15	11/29/2021	GOOGL	Ruosu, Ronald	Communication Serv	Yes	
16	11/29/2021	MSFT	Serge	Information Tech	Yes	
	2022 Spring Semester					
17	2/4/2022	NFLX	Ruosu	Communication Serv	Yes	
18	2/4/2022	DLTR	Tianyu	Consumer Staples	Yes	
19	2/11/2022	CB	Liam	Financials	No	DDM model needs to be clarified in the financial s Our team suggests postponing the vote to the ne:
20	2/11/2022	ANTM	He	HealthCare	No	ANTM's DCF model needs to be fixed. The vote will be postponed to the next meeting.
21	2/18/2022	HTA	Ronald	Real Estate	No	Concern about the Fed hiking rates.
22	2/18/2022	STLD	Serge	Materials	No	Wait for further supplement materials about STLD
23	2/25/2022	CVX	Cristina	Energy	Yes	Good business plan, High ESG score
24	2/26/2022	STLD	Serge	Materials	No	Our team think STLD's ESG plan is not sufficient.
25	3/4/2022	MMM	Yukun	Industrials	Yes	No: Analyst report suggest to sell rather than buy
26	3/4/2022	WMT	Nandini	Consumer Staples	Yes	Good ESG score, high margin of safety.
27	3/11/2022	SLB	Liam	Energy	Yes	Good ESG score.
28	3/11/2022	ANTM	He	HealthCare	Yes	Good ESG score.
29	3/25/2022	FDX	Serge	Industrials	Yes	
30	3/25/2022	APD	Ruosu	Materials	Yes	Strong fundamentals, Higher ESG score than its
31	4/1/2022	CB	Liam	Financials	Yes	
32	4/4/2022	NVDA	Ruosu, Ronald	Information Tech	Yes	Strong fundamentals, Higher ESG score than its
33	4/4/2022	PG	Tianyu, Cristina	Consumer Staples	Yes	High ESG score, High market share.
34	4/6/2022	LULU	He	Consumer Discretiona	No	High P/E, Low ESG score, and the DCF model ne
35	4/6/2022	EXR	Yukun	Real Estate	Yes	High ESG score, High dividend payout ratio
36	4/6/2022	TGT	Nandini	Consumer Discretiona	Yes	High ESG score, Strong fundamentals
37	4/8/2022	STLD	Serge	Materials	Yes	Strong fundamentals,

Economic Outlook

Economy: The US economy is projected to remain strong in the first half of 2022, mainly due to large consumer demand. With the improvement of the pandemic, increasing vaccination rates, and the re-opening of the country, a high growth rate of the US economy is expected. In the second half of 2022, the economic growth rate will gradually slow down.

Supply and Demand: 2021 was an unprecedented year for the shipping and logistics industry due to disruptions and supply chain bottlenecks, there are already signs of potential trouble ahead. Further disruptions will stem from the rapid spread of the Omicron variant of Covid-19 and how countries choose to handle outbreaks, while other potential disruptions are a little less predictable. Historically, half of the air cargo is transported in the underbelly of passenger aircraft. With the decline in passenger air travel due to the pandemic and the use of cargo planes in the place of passenger aircraft, shipping costs have skyrocketed to $16 per kilogram, as opposed to $3.80 per kilogram before COVID-19.

Employment: By almost every measure, the labor market had an extraordinary year in 2021. An average of 537,000 jobs were created each month throughout 2021, although there was considerable volatility in the month-to-month job reports, with 1.09 million jobs added in July and 199,000 in December. The unemployment rate fell from 6.3% in January 2021 to 3.9% at the year’s end. The number of people filing first-time claims for weekly unemployment benefits fell below 200,000 and ended the year close to that threshold. However, there’s also the chance that high inflation, combined with the tight labor market, may lead the Federal Reserve to raise interest rates earlier than expected, which may impact hiring confidence.

Inflation: Currently, market expectations for 2022 inflation are widely divergent, and we expect CPI pressures to remain high in the first half of 2022 and then ease in the second half. Supply bottlenecks and slack in the labor market remain the main reasons for high inflation in the first half of 2022. In the second half of the year, as the labor market improves and demand growth slows down, inflation pressure is expected to ease. The FED is expected to raise interest rates four times in 2022 and another four times in 2023 to help combat inflation.

Monetary policy: The Fed shifted from dovish to hawkish as inflation picked up mostly attributed to supply shortage and the buying of bonds by the FED. From the perspective of the Federal Reserve's consistent policy propositions. Generally, the Federal Reserve has been keeping interest rates low, which in turn has kept investors in the stock market, and away from bonds and other fixed investments. Meanwhile, a better Labor market has a more direct impact on inflation. The FED's most urgent task is to ease inflation and is expected to increase interest rates several times over this year and next. The FED mentioned in December 2021 that the plan is to taper purchases by $30 billion per month starting on December 15th. In conjunction with raising interest rates, the FED’s tapering will allow the economy to stabilize.

Risk Management

Risk management:

Risk management is a central pillar of our investment philosophy and process. All team members were expected to identify both macroeconomic and microeconomic risk factors before pitching their stocks. By incorporating systematic risk or market risk into our pitches we sought to quantify the impact said risk will have on the portfolio. Beta, also known as market risk, is a measure of the volatility, or systematic risk, of an individual stock in comparison to the entire market. Given the shift in allocation and preference for IT and Technology stocks by the S&P 500, our group sought to balance out the risk of being overallocated in tech by incorporating low beta stocks that had a negative correlation to IT and Technology stocks. This strategy offered diversification and helped to offset any potential loss from our position in Apple during the first quarter. Standard deviation, a statistical measure of dispersion around a central tendency is another key metric we used to maintain good risk management. By reducing our initial position in Apple after making steady returns on the stock, the total variation of the portfolio was reduced and hence the risk diversification was spread more evenly throughout the portfolio.

Our investment philosophy incorporated the Sharpe ratio in our portfolio analysis to help with risk management. The ratio describes how much excess return you receive for the extra volatility you endure for holding a riskier asset. Our Sharpe ratio is 1.60 compared to the S&P 500 Sharpe ratio at 0.38. Usually, any Sharpe ratio greater than 1.0 is considered acceptable good by investors. A ratio higher than 2.0 is rated as very good. A ratio of 3.0 or higher is considered excellent. A ratio under 1.0 is considered sub-optimal. Given our Sharpe ratio and having only invested half of the funds available, our performance is good and on track.

As a team, we also decided to measure the Alpha of the portfolio. Alpha is a measure of an investment's performance on a risk-adjusted basis. An alpha of 1.0 means the fund has outperformed its benchmark index by 1%. Correspondingly, an alpha of -1.0 would indicate an underperformance of 1%. For investors, the higher the alpha the better. Our Alpha so far is 22.46% so this means our portfolio performance was better than the SPY benchmark.

In addition to the market risk identified in the valuation process, team members were encouraged to identify if possible: credit risk, liquidity risk, legal risk, and operational risk of companies pitched. By addressing all these risks, a more comprehensive view of the business model and how sensitive a company is to these macro and microeconomic risks can lead to more informed decisions.

It is expected that both the pitching and non-pitching managers research and understand the industry and sector of the proposed investment. The team facilitates this process by submitting the proposed pitch deck, valuation model, and one-page report by the Sunday night of the week it is to be pitched. This allows managers up to four days to familiarize themselves with the company and the sector. As a result, the managers can evaluate potential financial (or balance sheet), business model, management, or valuation risk related to the proposed pitch. By following this model, the team has more thoughtful, constructive, and beneficial discussions when evaluating and voting on pitches. Through these approaches, the team has established a strong outline for our risk management process.

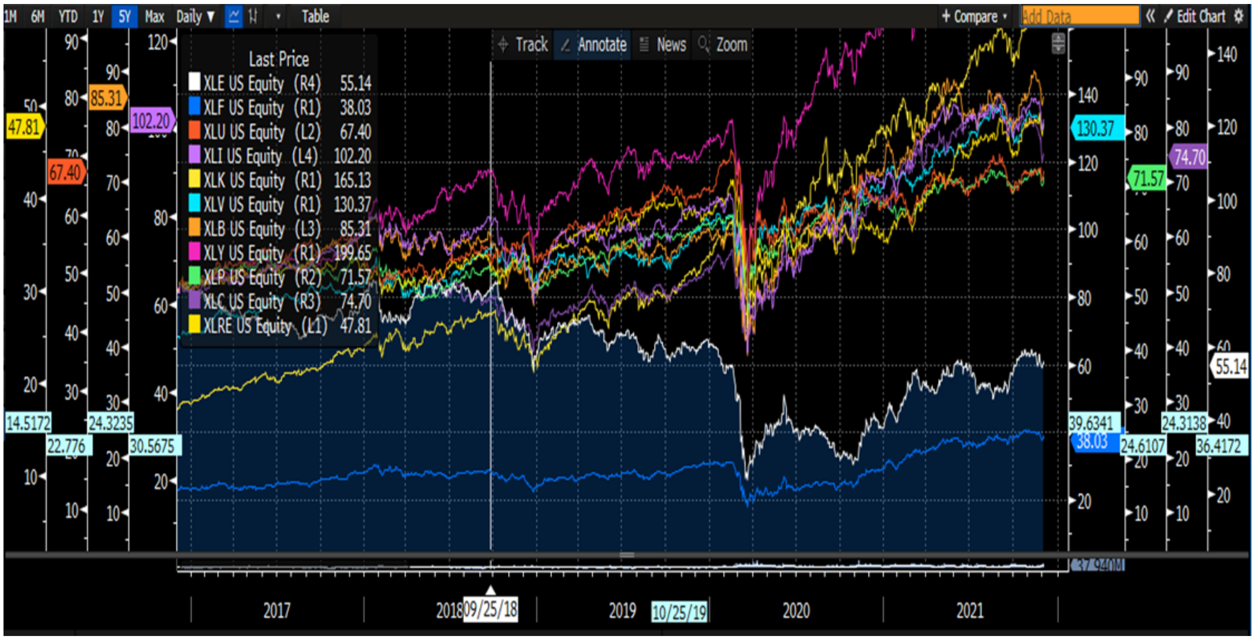
Portfolio Allocation and Asset Selection

Our team's investment philosophy follows the footsteps of Warren Buffet as mentioned above, focusing on investing in value-based stocks. We used the bottom-up approach which emphasizes analysis of individual stocks through fundamental analysis, which also assumes that the stock will do better even if the industry doesn't perform well. However, we also included a view of the current macro-economic scenario and the market behavior while selecting stocks for our portfolio.

Our portfolio allocation was strategized in such a way to reflect predominantly the weights of the S&P 500 index but can include potential differences based on our investment decision. The allocation to sectors may also vary in terms of exclusion of a few sectors from the S&P 500 based on the performance of the industry/sector and the prevailing macro-economic conditions. This way the team may find itself fully invested with holdings in most sectors.

Though our investment philosophy follows the bottom-up approach, it is pertinent to include an overall view of the industry and the market because of the COVID-19 pandemic which was the biggest shock to the market. When we started our investment analysis for portfolio selection, the economy was in the revival stage with vaccination and normalization of businesses. So, we used the specific sector SPDR ETFs traded in the market and took a long-term view of the industry performance and the impact it went through during the pandemic. Based on this analysis, each of the members picked two sectors that seemed a fit to research the sector and the individual stocks that had the potential to perform. FIGURE 1 shows high a level 5-year performance of the Select Sector SPDR Equity Funds as of 12/03/2021.

FIGURE 1: 5-year Performance of the Select Sector SPDR Equity Funds



Although a few sectors were not up to the mark during the pandemic and post that, members were diligent in researching the sectors not to miss out on an opportunity for investment in every sector. Finally, we were able to have pitched in the Fall from the following sectors based on our analysis in the following sectors – Consumer Discretionary, Communications, Healthcare, Utilities, Information technology & Real Estate and forth which account for 11 sectors out of the 11 in the S&P realm. The team was of the motive to have a well-diversified portfolio at the start of the investment and spread the risk across sectors to mitigate any sudden shock in the system.

As of 14th April 2022, we are 99% invested in U.S Equities, with almost no Cash & remaining in SPDR S&P 500 ETF Trust. The portfolio currently has around 23 stocks on the portfolio as shown in **FIGURE 2.** However, headwinds and stress in the market can potentially yield the team to unsuccessful value investments across sectors hence the team wants a well-diversified portfolio and avoids concentration in specific sectors.

Figure 2: Portfolio Investment Allocation as of 4/14/2022

Company	Ticker	Purchase Price	shares	Cost	Recent Price	% Change	Market Value	Ticker	Weights	Rtn.
APPLE INC	AAPL	$ 139.86	798	$ 111,608.28	$ 165.29	18.18%	$ 131,901.42	AAPL	10.40%	18.18%
American Electric Power	AEP	$ 83.70	179	$ 14,982.30	$ 102.04	21.91%	$ 18,265.16	AEP	1.44%	21.91%
ANTHEM INC	ANTM	$ 470.49	150	$ 70,573.50	$ 516.72	9.83%	$ 77,508.00	ANTM	6.11%	9.83%
AIR PRODUCTS & CHEMICALS INC	APD	$ 252.55	65	$ 16,415.75	$ 246.84	-2.26%	$ 16,044.60	APD	1.27%	-2.26%
CHUBB LTD	CB	$ 213.41	332	$ 70,852.12	$ 210.52	-1.35%	$ 69,892.64	CB	5.51%	-1.35%
CHEVRON CORP	CVX	$ 148.00	102	$ 15,096.00	$ 171.59	15.94%	$ 17,502.18	CVX	1.38%	15.94%
DOLLAR TREE INC	DLTR	$ 134.56	268	$ 36,062.08	$ 173.05	28.60%	$ 46,377.40	DLTR	3.66%	28.60%
EXTRA SPACE STORAGE INC	EXR	$ 209.77	79	$ 16,571.83	$ 212.55	1.33%	$ 16,791.45	EXR	1.32%	1.33%
FEDEX CORP	FDX	$ 235.76	217	$ 51,159.92	$ 205.74	-12.73%	$ 44,645.58	FDX	3.52%	-12.73%
ALPHABET INC-CL C	GOOGL	$ 2,825.00	24	$ 67,800.00	$ 2,534.60	-10.28%	$ 60,830.40	GOOGL	4.80%	-10.28%
3M CO	MMM	$ 143.74	353	$ 50,740.22	$ 147.38	2.53%	$ 52,025.14	MMM	4.10%	2.53%
MICROSOFT CORP	MSFT	$ 330.12	338	$ 111,580.56	$ 279.83	-15.23%	$ 94,582.54	MSFT	7.46%	-15.23%
NETFLIX INC	NFLX	$ 392.66	181	$ 71,071.46	$ 341.13	-13.12%	$ 61,744.53	NFLX	4.87%	-13.12%
NRG ENERGY INC	NRG	$ 40.51	352	$ 14,259.52	$ 39.19	-3.26%	$ 13,794.88	NRG	1.09%	-3.26%
NVIDIA CORP	NVDA	$ 244.29	482	$ 117,747.78	$ 212.58	-12.98%	$ 102,463.56	NVDA	8.08%	-12.98%
PROCTER & GAMBLE CO/THE	PG	$ 159.66	473	$ 75,519.18	$ 158.57	-0.68%	$ 75,003.61	PG	5.91%	-0.68%
SCHLUMBERGER LTD	SLB	$ 39.31	388	$ 15,252.28	$ 43.25	10.02%	$ 16,781.00	SLB	1.32%	10.02%
SPDR S&P 500 ETF TRUST	SPY	$ 446.58	112	$ 50,016.96	$ 437.79	-1.97%	$ 49,032.48	SPY	3.87%	-1.97%
STEEL DYNAMICS INC	STLD	$ 85.40	193	$ 16,482.20	$ 88.32	3.42%	$ 17,045.76	STLD	1.34%	3.42%
TARGET CORP	TGT	$ 231.12	327	$ 75,576.24	$ 237.20	2.63%	$ 77,564.40	TGT	6.12%	2.63%
UNITEDHEALTH GROUP INC	UNH	$ 454.50	152	$ 69,083.24	$ 534.82	17.67%	$ 81,292.64	UNH	6.41%	17.67%
VISA INC-CLASS A SHARES	V	$ 213.29	317	$ 67,612.93	$ 212.79	-0.23%	$ 67,454.43	V	5.32%	-0.23%
WALMART INC	WMT	$ 143.13	257	$ 36,784.41	$ 157.08	9.75%	$ 40,369.56	WMT	3.18%	9.75%
WEYERHAEUSER CO	WY	$ 37.09	417	$ 15,466.53	$ 39.90	7.58%	$ 16,638.30	WY	1.31%	7.58%

The team actively assesses the holdings in place and continuously rebalances the position as we continue to be completely invested by early Spring. The sector allocation weights in Figure 5 show the potential rebalancing that will be required for the team to do and will be reflected as we continue investing.

FIGURE 5: Portfolio sector allocation Vs S&P 500 index

Sector	Value	% of Invested Port.	S&P Sector Weights
Communication Services	$ 122,574.93	9.67%	9.60%
Consumer Staples	$ 86,746.96	6.84%	6.20%
Health Care	$ 158,800.64	12.52%	13.30%
Information Technology	$ 396,401.95	31.26%	28.10%
Financial	$ 69,892.64	5.51%	11.50%
Real Estate	$ 33,429.75	2.64%	2.60%
Utilities	$ 32,060.04	2.53%	2.60%
Materials	$ 33,090.36	2.61%	2.60%
Industrials	$ 96,670.72	7.62%	8.00%
Consumer Discretionary	$ 152,568.01	12.03%	11.80%
Energy	$ 34,283.18	2.70%	3.70%
Cash	$ 2,547.84	0.20%	N/A
Index (SPY)	$ 49,032.48	3.87%	N/A

The team will draw down from positions that are over-allocated relative to the S&P 500 index weights adjusting the portfolio to raise capital for new investments to be made in other sectors. This evaluation will be done at both the sector and the stock level to have the right balance and diversification in the portfolio.

Portfolio Performance

The performance data presented is calculated from September 13 to April 14, which represents the date the portfolio became active for the fund to trade. This summary shows the portfolio's overall performance, price change, market value, and unrealized gains and uses the weighted average to calculate the contribution of each stock. The overweight in APPLE with approximately 10 % of the portfolio, which also has the highest return with 18.18%, has significantly impacted our portfolio performance as they have been one of the best performers. The fund also has rebalanced positions to decrease exposure in the information technology sector and the selling of SPY position to raise capital creating the difference in cash between the initial value to the current market value. Our positions in Apple, American Electric, Chevron, Dollar three, Schlumberger, and United Health all had double-digit returns, being the stand-out performers in the portfolio.

Portfolio performance as of April 14, 2022,

Company	Ticker	Purchase Price	shares	Cost	Recent Price	% Change	Market Value	Ticker	Weights	Rtn.
APPLE INC	AAPL	$ 139.86	798	$ 111,608.28	$ 165.29	18.18%	$ 131,901.42	AAPL	10.40%	18.18%
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UNITEDHEALTH GROUP INC	UNH	$ 454.50	152	$ 69,083.24	$ 534.82	17.67%	$ 81,292.64	UNH	6.41%	17.67%
VISA INC-CLASS A SHARES	V	$ 213.29	317	$ 67,612.93	$ 212.79	-0.23%	$ 67,454.43	V	5.32%	-0.23%
WALMART INC	WMT	$ 143.13	257	$ 36,784.41	$ 157.08	9.75%	$ 40,369.56	WMT	3.18%	9.75%
WEYERHAEUSER CO	WY	$ 37.09	417	$ 15,466.53	$ 39.90	7.58%	$ 16,638.30	WY	1.31%	7.58%

Graduate Team Portfolio Performance vs S&P index

Total Performance v.s. S&P 500 Performance	
Total Portfolio Performance	0.32%
S&P500 Performance	-1.97%
Difference in Performance	2.29%

	SPY (ETF)	HSMF Portfolio
Beginning value	446.58	$1,264,018.17
Current value	$ 437.79	$1,268,099.50
Absolute value	-8.79	$4,081.33
% Change	-1.97%	0.32%

The table above shows the total portfolio return against the S&P 500 ETF benchmark through the same period. To calculate the return of the SMF portfolio against the S&P ETF, we used absolute values. Using the return of the S&P of the date the fund was active and April 14 and compute the price change. We evaluate the SMF portfolio in the same way; we used the starting funds and the latest market value of the portfolio. Our team decided to use this method to keep consistency between the methods used to evaluate both returns.

Overall, our team believes that the portfolio is currently well-positioned to continue outperforming the benchmark; we have rebalanced positions and revised the portfolio allocation to reduce the portfolio's exposure. Which the team believes would have a substantial impact on the portfolio performance to obtain our goal of outperforming the benchmark for the long-term 7–10-year time horizon.

Key Learning

Over the past year, our teams faced this new environment, we were working together, and understanding each other's strengths and weaknesses while also being able to help each other at almost any point in time. Experienced 8 months of cooperation and collaboration, learned critical thinking and problem-solving. We have turned valuation models and methods learned during class, into actual valuation and investment-making decisions. We shared our investment philosophies and individual investment perspectives, debating them at times, but always found the positive and constructive aspects of our talks. In this process, we had the on-hand experience to use some methods from our classes, referenced DDM, DCF model, relative valuation, residual income methods, etc. This enabled us to get the most out of SMF, a top-tier business and finance program, while also gaining real-life fund management experience during extremely volatile markets. This experience allowed us to not only develop strong skills related to financial and fundamental analysis, investment research, understanding of regulation/policy changes, and overall market knowledge, but it put us in an environment where strong communication and team-based work ethics led to success.